

UNITED STATES-ISRAEL ENERGY COOPERATION ACT

JUNE 29, 2006.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. BARTON of Texas, from the Committee on Energy and Commerce, submitted the following

R E P O R T

[To accompany H.R. 2730]

[Including cost estimate of the Congressional Budget Office]

The Committee on Energy and Commerce, to whom was referred the bill (H.R. 2730) to establish a grant program to fund eligible joint ventures between United States and Israeli businesses and academic persons, to establish the International Energy Advisory Board, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

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PURPOSE AND SUMMARY

The purpose of H.R. 2730, the United States-Israel Energy Cooperation Act, is to establish a program within the Department of Energy to provide grants for joint ventures between the United States and Israel concerning alternative energy, energy efficiency and renewable energy projects.

BACKGROUND AND NEED FOR LEGISLATION

The United States needs access to reliable energy sources. Currently, the United States relies heavily on imported crude oil, much of which comes from the Organization of Petroleum Exporting Countries. Moreover, research by the Energy Information Administration has shown that U.S. dependence on imported oil will increase by 33 percent over the next twenty years.

The United States and Israel have cooperated in the past on projects benefiting both nations. In 1996, the United States and Israel entered into an agreement to facilitate collaboration between the countries on energy research and development activities. Israeli scientists have undertaken research into alternative and renewable energy resources. Thus, it benefits both countries to cooperate in the research and development of alternative, renewable energy resources. H.R. 2730 provides the framework to expand the cooperation between the United States and Israel on renewable energy, alternative energy and energy efficiency.

HEARINGS

The Committee on Energy and Commerce has not held hearings on the legislation.

COMMITTEE CONSIDERATION

On Tuesday, June 20, 2006, the Committee on Energy and Commerce met in open markup session and ordered H.R. 2730 reported to the House, without amendment, by a voice vote, a quorum being present.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the record votes on the motion to report legislation and amendments thereto. There were no record votes taken in connection with ordering H.R. 2730 reported. A motion by Mr. Barton to order H.R. 2730 reported to the House, without amendment, was agreed to by a voice vote.

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee has not held oversight or legislative hearings on this legislation.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

The goal of H.R. 2730 is to promote and facilitate joint ventures between the United States and Israel concerning renewable energy, alternative energy and energy efficiency.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX
EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee finds that H.R. 2730, the United States-Israel Energy Cooperation Act, would result in no new or increased budget authority, entitlement authority, or tax expenditures or revenues.

COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

JUNE 22, 2006.

Hon. JOE BARTON,
Chairman, Committee on Energy and Commerce,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 2730, the United States-Israel Energy Cooperation Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Megan Carroll.

Sincerely,

DONALD B. MARRON,
Acting Director.

Enclosure.

H.R. 2730—United States-Israel Energy Cooperation Act

Summary: H.R. 2730 would authorize appropriations for grants to support cooperative efforts by nonfederal U.S. and Israeli entities to research, develop, and commercialize alternative and renewable energy sources. Assuming appropriation of the specified amounts, CBO estimates that implementing H.R. 2730 would cost \$5 million in 2007 and \$75 million over the 2007–2011 period. Enacting the bill would not affect direct spending or revenues.

H.R. 2730 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not directly affect the budgets of state, local, or tribal governments.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 2730 is shown in the following table. The costs of this legislation fall within budget function 270 (energy).

	By fiscal year, in millions of dollars—				
	2007	2008	2009	2010	2011
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Authorization Level	20	20	20	20	20

	By fiscal year, in millions of dollars—				
	2007	2008	2009	2010	2011
Estimated Outlays	5	10	20	20	20

Basis of estimate: H.R. 2730 would authorize the appropriation of \$20 million a year over the 2006–2012 period for the Department of Energy (DOE) to provide grants to support cooperative efforts by nonfederal U.S. and Israeli entities to research, develop, and commercialize alternative and renewable energy sources. The bill would authorize DOE to establish an advisory board to carry out the proposed program in consultation with existing organizations that support similar cooperative work between U.S. and Israeli businesses, academic institutions, and researchers.

For this estimate, CBO assumes that H.R. 2730 will be enacted near the start of fiscal year 2007 and that the authorized amounts will be appropriated for each year. Based on information from DOE regarding historical spending of similar programs, CBO estimates that implementing H.R. 2730 would cost \$5 million in 2007 and \$75 million over the 2007–2011 period, with additional spending occurring in later years.

Intergovernmental and private-sector impact: H.R. 2730 contains no intergovernmental or private-sector mandates as defined in UMRA and would not directly affect the budgets of state, local, or tribal governments.

Estimate prepared by: Federal Costs: Megan Carroll; Impact on State, Local, and Tribal Governments: Lisa Ramirez-Branum; Impact on the Private Sector: Craig Cammarata.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee finds that the Constitutional authority for this legislation is provided in Article I, section 8, clause 3, which grants Congress the power to regulate commerce with foreign nations, among the several States, and with the Indian tribes.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

Section 1 provides that the short title of the bill is the “United States-Israel Energy Cooperation Act.”

Section 2. Findings

Section 2 provides the findings of Congress supporting the Act.

Section 3. Grant program

Section 3 establishes the framework for the grant program within the Department of Energy (DOE). Specifically, it directs the Secretary of Energy (Secretary), to consult with the United States-Israel Binational Industrial Research and Development Foundation (BIRD) and the United States-Israel Binational Science Foundation (BSF) on the development of the program, the application process, the determination of entities eligible to receive grants and the amount of the grants. Section 3(d) provides the Secretary with the discretion to seek recoupment of grants from grant recipients where the project has led to a product or process which is marketed or used. Section 3 also authorizes the Secretary to accept private funds to carry out the purposes of the Act. Finally, each grant recipient must submit a report to the Secretary within 180 days of receiving the grant.

Section 4. International Energy Advisory Board

Section 4 establishes an International Energy Advisory Board within DOE to advise the Secretary on criteria for recipients of the grants and the amounts of the grants. The Board is to be composed of two members from the United States and two members from Israel. The Board members are not paid, except for travel expenses and per diem.

Section 5. Definitions

Section 5 provides definitions of terms used in the Act.

Section 6. Termination

Section 6 provides that the grant program and the Advisory Board established under the Act terminate seven years after enactment of the Act.

Section 7. Authorization of Appropriations

Section 7 authorizes \$20 million per year for fiscal years 2006 through 2012.

Section 8. Constitutional Authority

Section 8 provides the Constitutional authority for the Act.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

This legislation does not amend any existing Federal statute.

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ONE HUNDRED NINTH CONGRESS

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Washington, DC 20515-6115

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June 29, 2006

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The Honorable Sherwood L. Boehlert
 Chairman
 Committee on Science
 U.S. House of Representatives
 2320 Rayburn House Office Building
 Washington, DC 20515

Dear Chairman Boehlert:

Thank you for your letter in regards to H.R. 2730, The United States-Israel Cooperation Act.

I acknowledge and appreciate your willingness not to exercise your jurisdiction over the bill. In doing so, I agree that your decision to forgo further action on the bill will not prejudice the Committee on Science with respect to its jurisdictional prerogatives on this legislation or similar legislation. Further, I recognize your right to request conferees on those provisions within the Committee on the Science's jurisdiction should they be the subject of a House-Senate conference on this or similar legislation.

I will include your letter and this response in the Committee Report and I look forward to working with you as the bill moves to the House Floor.

Sincerely,


 Joe Barton
 Chairman

WJT/res

cc: The Honorable John D. Dingell
 Mr. John Sullivan, Parliamentarian

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON SCIENCE

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June 29, 2006

The Honorable Joe Barton
Chairman
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

Dear Mr. Chairman:

I am writing to you concerning the jurisdictional interest of the Science Committee in H.R. 2730, the United States-Israel Energy Cooperation Act. The Science Committee acknowledges the importance of H.R. 2730 and the need for the legislation to move expeditiously. Therefore, while we have a valid claim to jurisdiction over the bill, I agree not to request a sequential referral. This, of course, is conditional on our mutual understanding that nothing in this legislation or my decision to forgo a sequential referral waives, reduces or otherwise affects the jurisdiction of the Science Committee, and that a copy of this letter and of your response will be included in the Committee report and in the *Congressional Record* when the bill is considered on the House Floor.

The Science Committee also expects that you will support our request to be conferees on any provisions over which we have jurisdiction during any House-Senate conference on this legislation.

Thank you for your attention to this matter.

Sincerely,



SHERWOOD BOEHLERT
Chairman

cc: The Honorable John V. Sullivan